


# 3. Understanding

Good and Bad Resilience

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## The Case of Greek Cities in the Economic Crisis Era

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### **Abstract**

Government debt crisis and recession in Greece cause decline of the welfare state. This has been the result of the attempt of the Greek Government to reduce fiscal and macro-economic vulnerability to debt crisis through dismissals of public employees, cutting wages and pensions, shrinking social welfare public provisions. The state's adaptation however caused increase of human and social vulnerability and (re)activation of historical and new social risks. On their side, vulnerable people, urban level institutions and social organizations employed novel resilience attitudes to manage the unexpected risks of everyday life and amplified vulnerability, all caused by the crisis. This type of resilience at the urban level sometimes is widely beneficial, but other times harmful to the most vulnerable, the environment and the wider public interest, currently or in the future.

The paper (a) addresses social risk (re)activation processes and vulnerability trajectories in the Greek cities in the economic crisis era and how they are influenced by institutional, collective and individualized resilience and (b) offers a planning perspective for what is termed by the author as "Good Urban Resilience"

***Introduction:  
Who can be  
resilient,  
for what pur-  
pose?***

Regardless of the scientific field and context wherein the term is to be found, resilience signifies reactions toward risks, shocks, stresses and adversities with the ultimate aim of survival or persistence of the vulnerable agent (SAPOUNTZAKI 2012). In the literature resilience is defined either as an outcome (the flip side of vulnerability) or as a process. In the second case it is considered as a process of self-organization and self-change, in an attempt of the initiating agent to retain essential functions or structure under circumstances of whatever threat, stress or perturbation. This process-inspired definition of resilience is the more recently and widely adopted at least as regards socio-ecological and social systems. DOVERS and HANDMER (already since 1992) bifurcate resilience into reactive and proactive while ROSE (2014) suggests that resilience is operative only in the response, recovery and reconstruction phases of crises and disasters.

**Who can be resilient?** Some scholars and authors concentrate on urban and community resilience while others on individualized forms of resilience (i.e. resilience of single persons or micro-institutional resilience, such as a household's or a firm's resilience). According to SAPOUNTZAKI (2012, p.6) resilient to risks can be any vulnerable agent who becomes a "vulnerability actor", meaning an actor capable to change own and others' vulnerability. In this sense potentially resilient agents are:

- Social agents ranging from the human individual or single household to urban, regional, national or the global communities;
- Economic agents ranging from individual firms to entire economic sectors at the regional, national, trans-national level;
- Institutional agents, governmental and non-governmental at all possible levels;
- Socio-ecological agents, e.g. social systems interacting with ecological for the purpose of abstraction of natural resources;
- Socio-technological agents, like energy networks coupled with regulation authorities and their users.

**What is the purpose of resilient agents?** Their purpose is their own survivability, sustainability, avoidance of and / or recovery from a crisis or a disaster. For this purpose the agent under threat develops either pro-active or reactive resilience.

STACEY et al. (2000) suggest that resilience refers to agents following their own principles and satisfying their own intentions, an argumentation which is also in line with WALDROP'S (1992) suggestion that, in a dangerous environment, systems try to turn whatever happens to their own advantage. Hence, resilient agents pursue abatement of the bundle of risks they face. Resilience can thus be configured as a capacity to manage vulnerability and exposure to several simultaneous threats. Resilient agents can rarely achieve absolute reduction of their own vulnerability because:

- they are faced with several facets of vulnerability (physical, social, economic, institutional, also vulnerability to natural, environmental, technological, social risks) and when they spend resources for remedying a specific facet, they may become short of resources for curing others;
- they are territorially bounded and interconnected within communities so that the vulnerability of individual agents is affected by and affects vulnerability of others.

Therefore, a resilient agent *“utilizes own adaptive capacities to re-arrange and reset own vulnerability balance in time, space and among the several vulnerability facets versus various hazards also, when circumstances call for such re-arrangement”* (SAPOUNTZAKI 2012, p.7). In particular the options of a resilient agent (social, institutional or economic) are:

- ▶ To reduce own current vulnerability by shifting it to the future;
- ▶ To transfer vulnerability (specific facets versus specific hazards) to other agents with probable simultaneous conversion to other vulnerability facets versus other hazards;
- ▶ To rebalance own vulnerability facets versus certain hazards by controlling / reducing some of these facets to the deterioration of others;
- ▶ To manage vulnerability that is received by other agents.

Considering above options one could gather that resilience is about constant maneuvering and making of trade-offs between several forms of risk-taking and social development (SAPOUNTZAKI 2007). The resources to be tapped and utilized in a resilience process against all life risks, originating from the

socio-economic and physical environment, are included in the following forms of capital as adopted by the sustainability approach (SAPOUNTZAKI 2007): natural capital, financial (savings, income, pensions, credit, state transfers etc), human capital (knowledge, skills, health, physical ability), social capital (networks, affiliation, reciprocity, trust) and physical capital (infrastructure, shelter, transport, water, energy etc). Of vital importance are the spatial and temporal scales upon which the resilient agent appeals to mobilize and utilize above resources. In risky environments, troubled periods or post-disaster contexts new and exceptional pools of resources emerge. Such exceptional resources, under private or social control are behavioural assets, personal knowledge and experience, formal and informal social and economic networks, social knowledge, memory and ethics, place focused cultural practices, extra institutional mechanisms such as structures of illegality and exceptional funding opportunities (see also SAPOUNTZAKI 2014).

*The Greek Government's Resilience to Debt Crisis: Repercussions on Social Vulnerability*

According to the IMF Country Report No. 13/156, 2013 the Greek Governments have been accountable for the background conditions that triggered the crisis in 2009:

*“Adoption of the euro and loose global credit conditions in 2000’s allowed Greece easy access to foreign borrowing that financed a significant expansion of government spending. Robust private credit growth following financial liberalization also served to boost household consumption. Real GDP growth averaged 4% from 2000-2007, higher than in all euro area countries save Ireland and Luxemburg. ....Government debt mounted rapidly. The economy turned down in the wake of the Lehman crisis and the general government deficit reached 15.5% of GDP in 2009, up from 4% in 2001. Public debt was 129% of GDP at the end of 2009 with 75% held by foreigners. Besides, the pension system had become underfunded as a result of increasingly generous entitlements and an aging population. Furthermore, the counterpart to the decline in government saving was a sharply widening current account deficit that reached 15% of GDP in 2008”.*

Following the IMF (2013), the global financial crisis endangered Greece's government-led growth model and the country became soon extremely vulnerable to a stop in private capital flows. However, from the beginning of the crisis in early 2010, the Greek governments have been displaying an outstanding capacity to avoid default, i.e. resilience. After the elections in autumn 2009, the first government of the crisis agreed to a fiscal consolidation plan with the EC, but as financing conditions became progressively more difficult the euro zone decided that the IMF should be a formal part of Greece's rescue.

Following negotiations with the newly established Troika (the IMF, the EC and the European Central Bank) a programme was agreed upon to assist Greece with total financing of 110 billion euro of which the Fund committed 30 billion euro under a Stand-By-Arrangement. The bailout project (and resilience displayed) for Greece's rescue was possible due to the country's position in the euro-zone. Consequently, the Greek government was forced to adopt *"an ambitious multi-year adjustment programme to lower the fiscal deficit and public debt ratio, reduce domestic demand in line with supply capacity and increase supply and competitiveness so as to invigorate investment, exports and private sector growth"* (IMF, 2013). State adaptations for macro-economic purposes, stability and sustainability, have translated however, into heightened or new risks and exposures for the Greek society, especially the weakest social groups (i.e. the already vulnerable).

Indeed, a growing number of households in the Greek cities have been increasingly exposed to new (or re-emerging) social risks of poverty, energy poverty, homelessness, malnutrition, risks to health, psychological depression and suicide. The reasons are related to wage and pension cuts, elevation of direct and indirect taxation, dismissals and unemployment, shrinkage of social welfare public provisions and recession as a result of fiscal rationalization policies. It is obvious that this is the result of the transformation of state's fiscal vulnerability to human and social vulnerability and its transference to large social groups especially those dependent on the state's welfare system (SAPOUNTZAKI and CHALKIAS, 2014).

In a report by the UN Independent Expert on Foreign Debt and Human Rights (2014) it is clearly stated that *“the prospects of a significant number of Greeks securing an adequate standard of living in line with international human rights standards have been compromised by bailout conditions imposed by Greece’s international lenders”*. More specifically, the UN Expert warns: *“More than 10% of the population in Greece now lives in extreme poverty and unemployment amongst youth has reached the unprecedented rate of 59.3%.... Greece remains the only country in the euro-zone where a comprehensive social assistance scheme serving as a social safety net of last resort is missing”* (A/HRC/25/50/Add.1 2014, p.16). The Expert also warns that the public health system becomes increasingly inaccessible, in particular for poor citizens and marginalized groups. The Expert points out that nearly one third of the Greek population is without public health insurance mainly due to prolonged unemployment. The report makes also reference to the National Ombudsman’s thesis that *“the drastic adjustments imposed on the Greek economy and society as a whole have had dramatic consequences on citizens, while vulnerable groups increase and multiply”* (A/HRC/25/50/Add.1 2014, p.12). The report furthermore ascertains that the burden of adjustment does not appear to be shared fairly as the impact has been particularly severe for the most vulnerable sectors of the population: the poor, the aged, pensioners, women, children, people with disabilities and immigrants. It is not without significance that since 2012 two more bailout projects and a whole series of austerity measures have been implemented.

Looking at the social risks (re)emerging with the crisis, it seems that the most important risks are health-related risks. The literature offers already strong evidence about the relationship between income status and health indicators such as morbidity, mortality, life expectancy and accessibility to medical care services (MACKENBACH 2005; WAGSTAFF 2002). Economic recession increases health status inequalities (STUCKLER et al. 2009), while unemployment, job insecurity and homelessness drive always larger groups to social exclusion and cause increase of cases of psychological disturbances, like depression. The unemployed and their families are at higher risk of premature death, chronic disease and disability. In the long run unemployment increases



the risk of suicide and also leads to a high alcohol daily consumption with evident long term health consequences (MALIAROU and SARAFIS 2012). Simultaneously, heightened institutional vulnerability of the medical care system (also due to the crisis) adds risks to human health. Public medical care organizations suffer from financial problems due to reduction of the respective public expenses. Furthermore, public deficit and unemployment cut public insurance budgets causing fluidity problems to private medical companies. At the same time that the demand for public medical care services increases (owing to loss of income and increase of disease incidences) the medical care system becomes always more vulnerable (SAPOUNTZAKI and CHALKIAS 2014). Indeed, publications in the medical journal *The Lancet* confirm increase of the incidents of suicide and contagious diseases (ECONOMOU et al. 2011) while reports in domestic and international mass media speak for health problems of the victimized social groups and disintegration of the medical care system.

Figure 1 indicates how the Greek Governments of the crisis era -in their attempt to manage macro-economic risks and debt crisis-, deprived the society and economy – especially the most vulnerable groups - of critical assets. Such deprivation caused increase of social, human and regional and local institutions' vulnerability. In essence, the Greek Governments pulled off the protective mantle of the welfare state and activated a bundle of forgotten social risks and adversities (poverty, homelessness, social exclusion, forced migration, risks to health, loss of accessibility to old age care services etc). At the same time the austerity measures deteriorated human, social and institutional vulnerability to natural, technological, climate change and environmental hazards thus intensifying the respective risks.

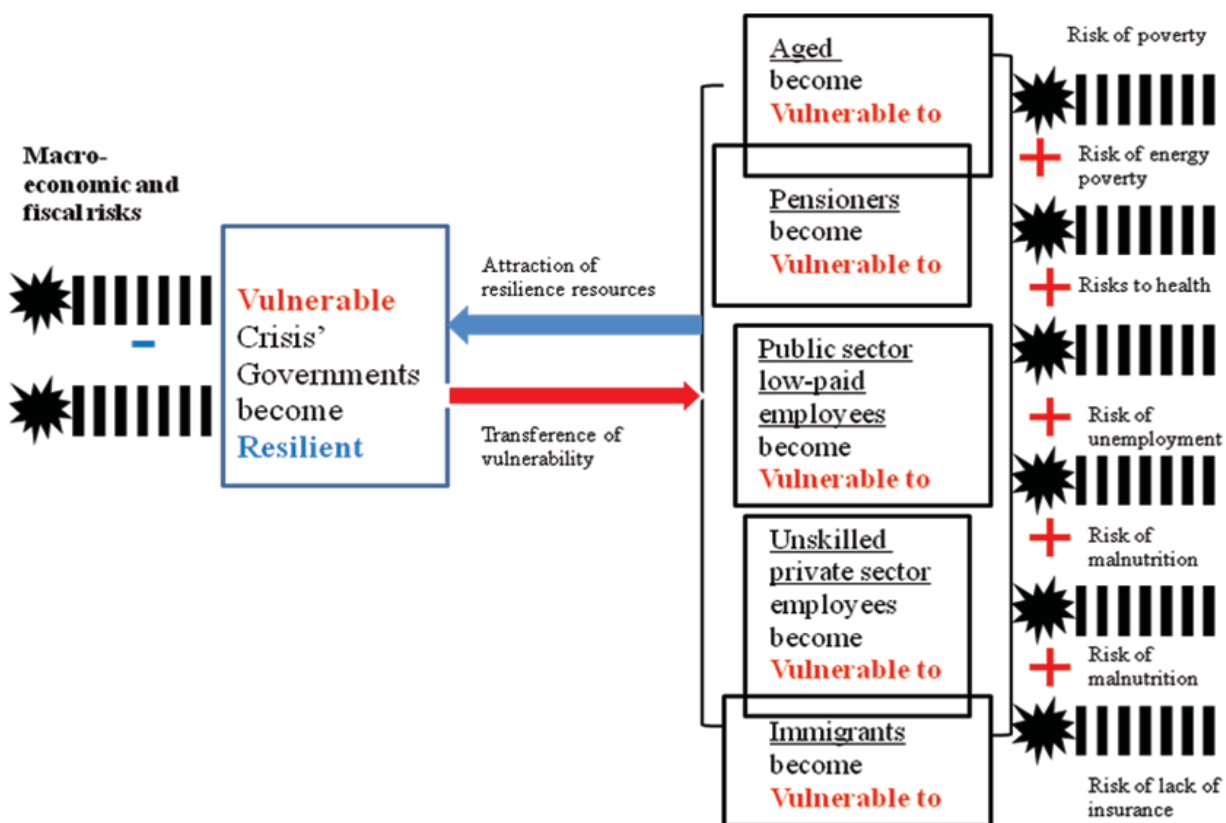


Figure 1: Vulnerability transfers (through resilience) for the sake of bailout projects – Mobilization of new and historical social risks. (Source: Author's elaboration.)

***People's and Urban Institutions' Resilience versus Social Risks: Is it always Beneficial?***

SAKDAPOLRAK et al. (2008) in their article "The Megacity Resilience Framework" suggest that within cities institutions and people each have specific vulnerabilities and specific resilience and that constant interaction among these is occurring continuously. It has become already evident that with the crisis larger social groups and a growing number of public and private institutions become more and more vulnerable to new and returning risks. All these vulnerable agents attempt to activate resilience in the following ways (SAPOUNTZAKI and CHALKIAS 2014):

- Individuals and households make a series of re-arrangements, e.g. they change their place of residence to ensure cheaper housing accommodation, they proceed to household enlargement and unifications to minimize rents and other housing costs, they make agreements for extension of their housing loan repayment period, they change energy consumption and mobility patterns as well as food consumption patterns, they change patterns of appealing to medical care services etc.
- Social groups and communities build barter economy and other solidarity structures to boycott



costliness of essentials in the free market.

- Manufacturing, retail and wholesale firms cut down operating and maintenance costs, proceed with dismissals and partial employment contracts, turn to cheaper raw materials and forward low quality goods and services to the market.
- Local Authorities cooperate with NGOs to build structures for direct response to unemployment, poverty and homelessness, among others in an effort to rehabilitate their traumatized profile and regain political prestige.

Each one of the above practices represents a specific resilience option (see introduction). More specifically, the extension of the housing loan repayment period represents a shift of economic vulnerability to the future; moving to cheaper housing accommodation represents a way to transform economic vulnerability to physical vulnerability (due to exposure to a poorly maintained housing and urban environment); changing food consumption patterns means that part of economic vulnerability may turn to health-related vulnerability; introducing low quality goods and services to the market is a way for manufacturing retail and wholesale firms to lower their economic vulnerability by aggravating health or other forms of vulnerability of the consumers (Figures 2(a) and 2(b)). Vulnerability dynamics due to activated resilience of people and urban level institutions make some of these adaptation attitudes widely beneficial (to the environment, the wider public interest and for the future) and some others harmful to other agents or the wider public interest.

Examples of individualized/personal resilience which proves to be beneficial to collectivities and/or the wider public interest are:

- Turning to environmentally friendly living patterns to avoid high living costs (e.g. turning to public transportation to avoid costly fuels, limiting wastage at home, saving energy at home to avoid high electricity bills etc).
- Building social solidarity structures (Figure 3) to combat poverty, energy poverty, risks to health and unemployment (e.g. no pay movements, neighbourhood-based self-organized collectives, municipal vegetable gardens, social groceries, clinics and pharmacies, solidarity schools,

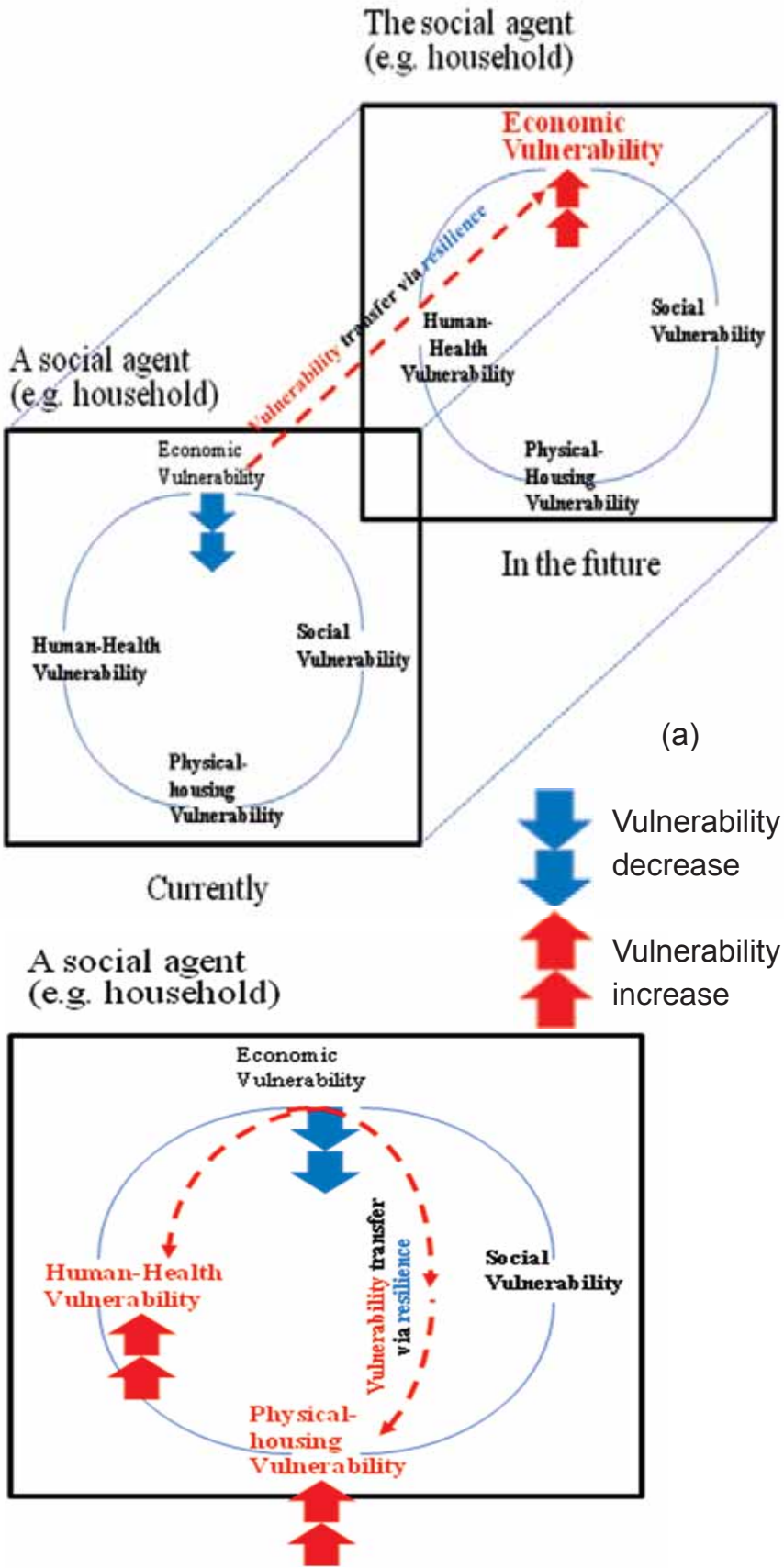


Figure 2 (a) above: Vulnerability dynamics (through resilience) in case of extension of the housing loan repayment period (shifting vulnerability to the future); (b) below: Vulnerability dynamics (through resilience) in case of moving to cheaper housing accommodation or changing food consumption patterns. (Source: Author's elaboration.)

social kitchens and food distribution, the without middlemen movement such as the potato movement, free share bazaars, time sharing banks, alternative cultural clubs and other socialized and self-managed forms of employment and solidarity economy). Up to November 2012, 93 social enterprises have submitted their papers to register in the record of the Ministry of Labour all over the country, half of them in Athens (SOLIDARITY FOR ALL 2013)

The social solidarity structures contribute to what might be termed “social vulnerability justice”. For example, it is obvious that *the without middlemen* movement causes loss of customers of the middlemen.

However, there are also examples of people’s and institutional resilience which are harmful for other agents, the environment or the wider public interest currently or in the future: Turning to wood (and waste material) fuel for heating; avoiding maintenance costs of technological equipment in the domestic, transportation, manufacturing, building and other sectors (Figure 4); relaxing building and urban planning regulations to attract investments and create jobs etc. Such practices have already led or may lead in the future to heightened social, human, ecological, physical vulnerability and exposure to new or re-emerging risks: atmospheric pollution, technological accidents, urban fires, communicable diseases etc. (SAPOUNTZAKI and CHALKIAS 2014). In general terms, collective and individualized resilience in the cities of the crisis have been possible in cases where:

- ▶ Structures of self-organization and political contention were already in place or at least the possibility to build such structures;
- ▶ High levels of social cohesion, solidarity and networking prevail;
- ▶ High levels of professional, employment and housing mobility and flexibility predominate;
- ▶ Groups and individuals are featured by medium and high levels of education;
- ▶ Entrepreneurial agents are featured by high levels of flexibility;
- ▶ Groups and individuals have access to political parties and decision-making institutions.



Figure 3: A Social Grocery in the Municipality of Athens. (Source: SAPOUNTZAKI 2014)

Regardless of the agent developing resilience strategies it has been made evident however, that there is “good” as well as “bad” resilience. Considering social justice in terms of distribution of risks and adversities, good resilience refers to cases with no impact on or beneficial to the most vulnerable agents, the environment and/or the wider public interest because of their mitigating effect on vulnerability. On the contrary, “bad resilience” against the crisis results in others’ and environment’s exposure and vulnerability increase. Bad resilience may pull off safety nets, such as the “protective” welfare state, planning and environmental regulations, safety and maintenance standards. As a result, bad resilience may activate or reactivate old and new social and other risks. Sometimes, the losses out of manifestation of these risks (e.g. job losses, health losses and morbidity, loss of housing shelter, loss of safety at home or at work, loss of access to safe food, extreme material deprivation, loss of accessibility to education, medical care, old age care and other essential provisions) overstep the thresholds arising from the fundamental human rights and the basic needs (as recognized by the respective sustainability theory). From this point of view, resilience obtains a clear normative content as the basic mechanism for promoting or subverting social justice when the latter is considered as equity versus risks and adversities. Indeed, the societies of contemporary crises va-





Figure 4: Problems of building maintenance at the heart of Athens. (Source: SAPOUNTZAKI 2014)

validate BECK'S (1992) notion of the Risk Society and the thesis that today the world is concerned more about the allocation of risks and adversities than of wealth and opportunities.

Under socio-economic crisis conditions like those faced in Greece, resilience in the cities functions as a process of re-allocation and redistribution of vulnerability (social, economic, human, institutional, physical and ecological). Hence, it is both possible that resilience contributes to and/or undermines social justice, should the latter be considered in terms of distribution of risks and adversities. Resilience might be both welcome and unwelcome from the moral and normative point of view. Consequently, if planning is to be involved with resili-

## *Discussion*

ence, its mission should be to push forward “good resilience” and restrict or control hazardous or unwelcome resilience.

Resilience has been an influential concept and vision for both the procedural and substantial element of planning since the late 1990's; this is evident in the use of both terms “Resilient Planning” and “Resilient City”. Resilient city has been defined as *“one that has developed capacities to help absorb future shocks and stresses to its social, economic and technical systems and infrastructure so as to still be able to maintain essentially the same functions, structures, systems and identity”* (RESILIENTCITY.ORG).

However, this definition and the concept of “resilient city”, are based on a series of disputable assumptions, for example:

- a. ...that the various social, institutional, economic and other actors in a city do not develop separate adaptation trajectories to counteract stresses and adversities; all of them have equal accessibility to and draw on a common pool of resilience assets.
- b. ...that there is a consensual and undivided resilience-building process and adaptation trajectory satisfying all urban actors equally.
- c. ... that even in case of private or collective actors in the city deciding on and following separate adaptation paths, the latter will not impact on other actors' and the wider urban system's vulnerability and resilience.

However, none of these assumptions is easy to confirm and the case of the Greek crisis cities contradict these assumptions:

- Except of urban community resilience other more individualized forms have been addressed. In dealing with paths of resilience one should respond to the query “resilience of whom to what” (CARPENTER et al. 2001). Resilience is about self-(re)organization, self-reliance and self-priorities, a condition which among others facilitates transfer of responsibility for risks from the public sphere to the private. The component agents of the urban system are capable of charting autonomous (and probably diverging adaptation paths). Besides they may be encouraged or have the stimuli to do so.
- It is not only that numerous adaptation paths are followed



by a crowd of resilient agents in the city but also that interactions among them occur on a continuous basis (VALE and CAMPANELLA 2005; SAKDAPOLRAK et al. 2008). This is because each of these agents appeals to common pools of both private and collective resources at all possible scales of time and space. Consequently, individualized resilience may lead to deprivation of others or the whole urban community of the necessary resources and hence the opportunity for resilience. Individualized resilience paths are an inevitable reality as well as the possibility of undermining or cancelling one another.

In this sense a city is resilient and vulnerable at the same time while these two properties constantly interact and change. No one can ever characterize a city as totally resilient or totally vulnerable. The term “Resilient City” may be a misleading term and the respective vision may well become a utopia. Therefore, planning “the Resilient City” is only about planning for “Social Vulnerability Justice” and a fair allocation of resilience assets.

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